interpharma:ph

Strategy 2030
An overview of
our objectives

Our key areas
From putting the focus on patients
to the medicines market

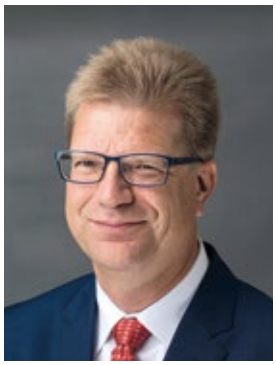
The association
Facts and statistics
for the past year

ANNUAL REPORT 2020

COVID-19
Our commitment

Editorial

Jörg-Michael Rupp
Head of Roche
Pharma International
President of Interpharma



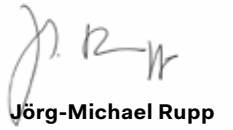
Dr. René P. Buholzer
CEO
Interpharma

The COVID-19 pandemic presented a major challenge for our members and for us as the association of Switzerland's research-based pharmaceutical industry during 2020. Although the ongoing pandemic convincingly illustrates the importance of pharmaceutical research, it has also increased the expectations placed on our industry. This is because the past year has made it clear that research and innovative diagnostics, medicines and vaccines are the only way of getting the pandemic under control and thus of benefiting patients and society as a whole.

We are fully aware of our social responsibility and have acted accordingly. Never before has the response to a new pathogen been faster than in the case of coronavirus SARS-CoV-2. Never before have states, NGOs and companies worked together on such a scale. The global effort made by the pharmaceutical industry to overcome the challenge presented by the virus is unprecedented. The industry is developing diagnostics and vaccines, testing the suitability of existing medicines, researching new ones and supporting the healthcare systems of hard-hit countries. This unparalleled cooperation has driven research into treatments for COVID-19 as well as the development of tests for the virus and production of vaccines, and filled the huge rise in demand for medicines. Despite the crisis and the massive growth in demand in some areas, it has been possible to maintain highly complex global supply chains. The crisis has provided irrefutable proof of the value of having a highly innovative research and production hub. Indeed, it is the best precaution against crisis. For us, the wellbeing of our fellow citizens and patient health are at the centre of all these efforts.

These challenges remain considerable, despite having been overshadowed by the pandemic to a certain extent. In 2020, Interpharma therefore began to actively implement its Pharma Hub Switzerland 2030 strategy, which focuses on three key areas: "Putting the focus on patients", "Leader in research and development" and "A strong economic-policy framework". In particular, it is essential not to forget those patients and their families who have to live with other diseases. Unfortunately, it proved impossible during 2020 to halt the trend of increasing delays in the time it takes to have innovative medicines and treatments added to the list of pharmaceutical specialities. 89% of products were not added until after the 60-day period had expired, forcing patients to wait months in some cases for comprehensive reimbursement of a large number of vital medicines, despite those medicines having been authorised by Swissmedic. There is an urgent need for government action in this area. The cost containment packages currently under discussion represent one way of ensuring the need to provide rapid access to innovative treatments is addressed. Interpharma continued to advocate a strong economic-policy framework in various referendums.

We still have a difficult path ahead of us until all patients in Switzerland can enjoy legally guaranteed equal access to new and innovative treatments right from the day they are authorised by Swissmedic. As the association of Switzerland's research-based pharmaceutical industry, we will continue to devote all our energies to patients' needs and to safeguarding pharma hub Switzerland's international leadership in 2021. We will also continue our work on its international competitiveness.



Jörg-Michael Rupp

Dr. René P. Buholzer

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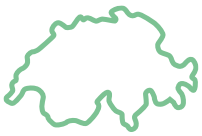
Vision for Switzerland as a pharma hub in 2030

Switzerland is still Europe's leading pharma hub in 2030. It benefits from high-quality medical innovation and is able to fund this innovation in the long run and sustainably. The pharmaceutical industry is a key contributor to the prosperity and quality of life of people in Switzerland.



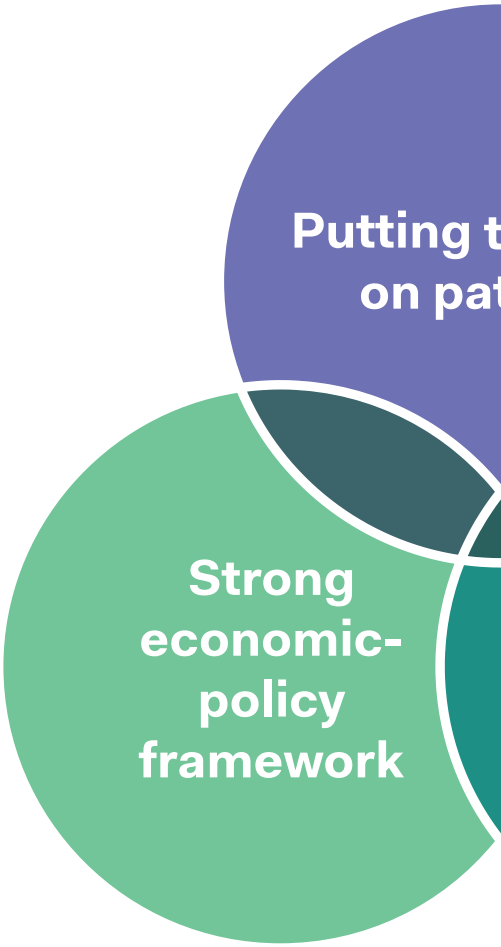
A strong economic-policy framework means in 2030:

Switzerland has a highly skilled labour force at all levels

An attractive fiscal environment safeguards employment in the pharmaceutical industry and the industry's contribution to national prosperity

The Swiss economy benefits from the industry's high export volumes

The pharmaceutical industry is a driving force of the sustainable economy



Putting the focus on patients in 2030:

Patients in Switzerland have fast access to innovative medicines

All patients receive reimbursement for innovative medicines right from the day the medicines are authorised

Medicine costs are proportionate to the benefits to patients and the healthcare system, and also to the industry's investment in those medicines

Being leader in research and development means in 2030:

Effective and modern patent protection enables the pharmaceutical industry to invest in research and development of innovative medicines

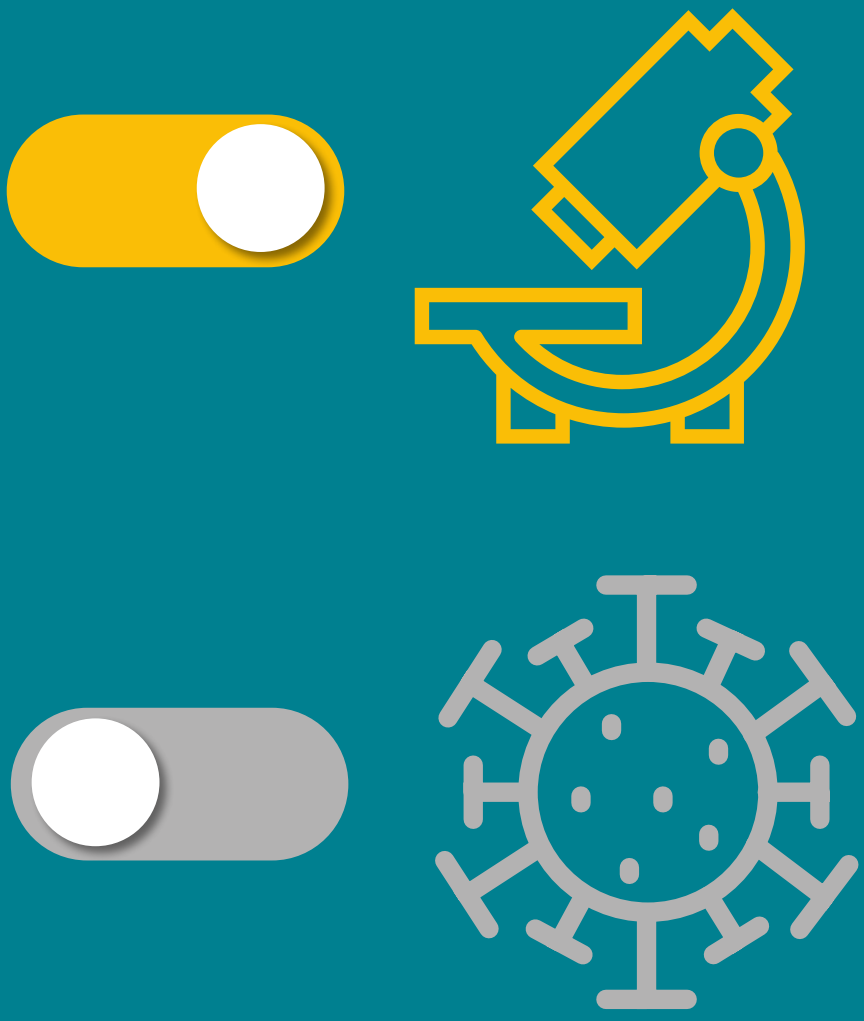
Clinical trials in Switzerland give patients early access to life-saving treatments

High-quality health data enhance treatment quality and accelerate medical progress

COVID-19

Our commitment in this unique situation

Never before have pharmaceutical companies and research institutions responded as quickly to a new pathogen as to the new coronavirus SARS-CoV-2, the cause of COVID-19. They are developing tests and vaccines, investigating the suitability of existing medicines, developing new ones and supporting the healthcare systems of hard-hit countries.



COVID-19 and the pharmaceutical industry – delivering a vaccine in 284 days

On 11 March 2020, the World Health Organization declared COVID-19 a pandemic. By then at the latest, people pinned their hopes on the pharmaceutical industry.

Switzerland confirmed its first case of coronavirus infection on 25 February. Just a few days later, the Federal Council banned gatherings of more than 1,000 people. From then on, the number of new infections rose daily by an average of more or less exactly a third – in other words, daily case numbers were increasing tenfold within eight days or doubling in less than two and a half days. Switzerland was experiencing classic exponential growth.

Rapid reaction from the industry

Never before have pharmaceutical companies and research institutions responded as quickly to a new pathogen as to the new coronavirus SARS-CoV-2, the cause of COVID-19. They developed diagnostics and vaccines, tested the suitability of existing medicines and researched new ones. The urgency of developing a vaccine and the associated pressure on the pharmaceutical industry rose dramatically during 2020. It normally takes 10 to 15 years to develop a new vaccine. In this case, however, the pharmaceutical industry was able to obtain approval in Switzerland for the first vaccine in just 284 days. The vaccine developed by Pfizer/BioNtech was authorised by Swissmedic on 19 December 2020 – the first regular authorisation for this vaccine worldwide. This is an extraordinary achievement, made possible by unprecedented international cooperation at all levels, including early disclosure of the genetic code in January and many years of investment in new technologies that had brought research in the field to an advanced stage. In addition, manufacturers conducted various development processes simultaneously, something that involved the companies assuming major risks. The authorities' openness to fast-track processes also played its role in ensuring the first vaccine was approved in record time. Despite the urgency, safety (and efficacy) were and still are a top priority at all times.

How quickly the Swiss population will be able to resume something approximating a normal life depends not only on the speed with which vaccines are developed, tested and approved, but also on companies' production capacities. It is therefore important that as many vaccines as possible are approved as quickly as possible to ensure that all production facilities are used. Swissmedic reviewed three further vaccine candidates in late 2020 as part of a rolling authorisation procedure.

The pharmaceutical industry is helping to fight the coronavirus SARS-CoV-2 pandemic not only by developing vaccines, but also by testing existing

Communication Working Group

The COVID-19 crisis dominated the work of Interpharma's Communication Working Group. The partnership between member companies' communications teams and the Interpharma office focused on its existing mission. Accordingly, there was a consistently fast and coherent flow of information to stakeholders, particularly the media, that used specific examples to deliver visual and verbal testimony to the innovativeness of the pharmaceutical industry and its willingness to collaborate to overcome the COVID crisis.

Interpharma Communications launched a dynamic new website in 2020. During the past year, communication as a whole has been placed on a new digital footing that will allow it to fulfil modern communication needs while increasing transparency and dialogue. Activities included finalising a messaging app for our ambassadors and launching the Social Wall, a new feature that pools member companies' Socialmedia channels, in late 2020.

The Communication Working Group was also a partner in public affairs work, supporting campaigns on referendums such as the Limitation and Responsible Business initiatives, both of which were rejected in a move that reaffirmed the Swiss population's commitment to safeguarding their country's appeal as a place to work and do business for all sectors, including the pharmaceutical industry.

Philipp Kämpf
Director Communications & Public Affairs,
Switzerland & Austria
Johnson & Johnson

medicines and developing new ones. The longer the crisis lasts, the clearer it becomes that the development of medicines to prevent and treat the disease will be as crucial in combating the pandemic at global level as the development of vaccines.

In addition to increasing the likelihood of reaching patients throughout the world, treatment options can be particularly important for certain sections of the population who are at elevated risk and could benefit from prophylactic treatment. Efforts focus particularly on medicines that have already been approved for a different disease or are at least in development. This is because it is quicker to obtain authorisation for these medicines in additional indications such as COVID-19 than to have a completely new development approved. Pharmaceutical researchers have dubbed this process "repurposing". Although some approaches are yielding promising observations, these are currently restricted to individual cases with no control group or merely to results from laboratory or animal testing.

Strong in a crisis: the important role of the pharmaceutical industry

The crisis has demonstrated the strength of Switzerland's research-based pharmaceutical industry in impressive fashion. After this current crisis has passed, the country's strengths as a centre for research and production will need to be maintained if it is to remain a leading international pharma hub, one that – as in the past ten years – will continue to account for a crucial third of the Swiss economy's growth. Research-based pharmaceutical companies in Switzerland can look back on over a hundred years of success. Their innovative drive has been a key factor in advancing the quality of life and prosperity of the Swiss people over many decades.

Now that the first phase of crisis management is over, new challenges and opportunities await government and society – and thus also pharma hub Switzerland – in a new normality that will be shaped by the virus. One of the main reasons for this is other countries' recognition of the importance of a high value-generating pharmaceutical industry, particularly in times of crisis, which means they are actively endeavouring to strengthen the various locations. Based on its Pharma Hub Switzerland 2030 strategy and in light of the experience gained over recent weeks and months, Interpharma, the association of Switzerland's research-based pharmaceutical industry, and its members have formulated our commitment in five areas that serve as a starting point for discussions about the future organisation of the healthcare system in Switzerland. In addition to its regular dialogue with member companies, Interpharma has also contributed to the work of the federal crisis organisation. ph

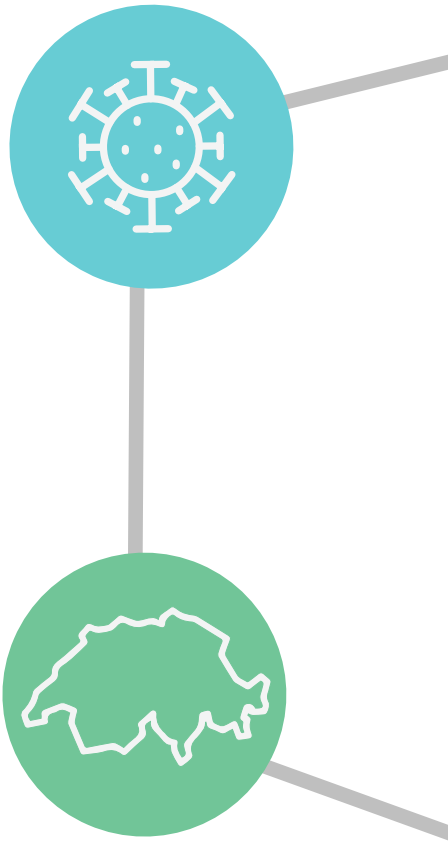
Never before have pharmaceutical companies and research institutions responded as quickly to a new pathogen as to the new coronavirus SARS-CoV-2.

Our commitment in five areas

The pharmaceutical research industry has proved that – even in times of crisis – it is capable of maintaining highly complex global supply chains and satisfying a greatly increased demand for diagnostic products and medicines.

1
Diagnostics, medicines, vaccines

The research-based pharmaceutical industry is making an unprecedented global effort to overcome the crisis, whether by ensuring that the public have access to diagnostic products and medicines or by researching and developing safe and effective treatments and vaccines. Patient welfare is at the centre of all these efforts. We in the industry will not rest until we have controlled or conquered the virus, just as we also uphold our commitment to combating other diseases.



5
Production hub

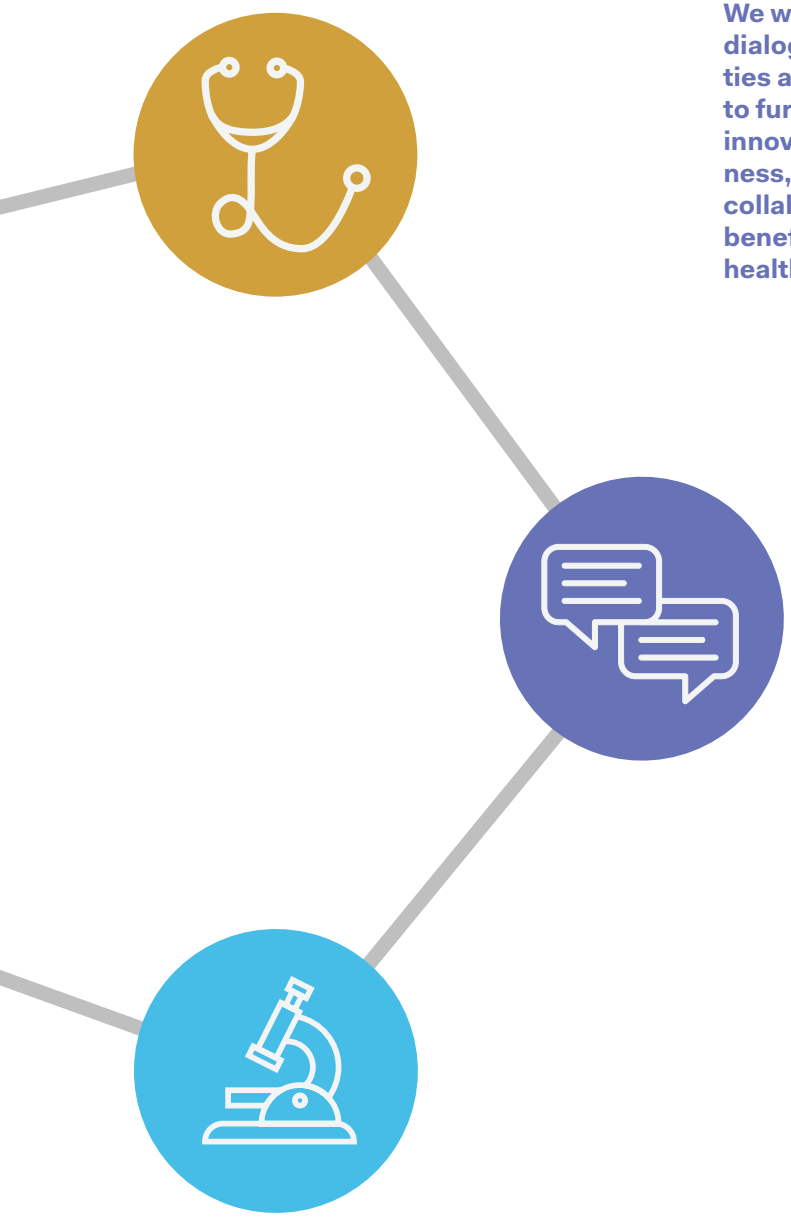
We are convinced of the need to further strengthen Switzerland's status as a production hub by preserving and improving the existing framework. This includes safeguarding and improving access to export markets (notably safeguarding bilateral relations with the EU), providing an attractive fiscal environment and strengthening political stability and legal certainty.

2
Supply reliability

We are prepared to act as a partner in further improving the resilience of the healthcare system. We see a need for discussion in four areas: (1) improved transparency as regards the distribution chain (2) storage and financing of storage (3) foreign economic policy to safeguard open borders and frictionless movement of goods (4) access and reimbursement provisions that provide a better equilibrium between cost, quality and supply reliability.

3
Collaboration

We will continue the good cooperation and dialogue that we experienced with the authorities and stakeholders during the crisis, in order to further strengthen Switzerland's high-quality, innovation-friendly healthcare system. Openness, digital networking and solution-driven collaboration that centres on quality and patient benefits are key building blocks of a sustainable health ecosystem.



4
Research and innovation

We believe that maintaining Switzerland as a strong, innovative research hub is the best way of preparing for crises, and are willing to continue to make our own contribution to this end. The very costly research infrastructure that currently makes it possible to act quickly and efficiently, expand capacities and thereby save lives during health crises, cannot be built up only when a crisis emerges.

It is the result of decades of sustained commitment, investment and specialist knowledge that has developed in Switzerland through excellent training, for example, and the incentives that result from good intellectual property protection. Intellectual property must continue to be protected in future. Moreover, significant effort and investments will be required and particularly in a digital data ecosystem.

Diagnostics, medicines, vaccines

Pharmaceutical companies develop and supply diagnostics and vaccines, test existing medicines, research new ones and support the healthcare systems of affected countries.

Patient wellbeing is at the centre of all pharmaceutical companies' activities in conjunction with Interpharma. Accordingly, the research-based pharmaceutical industry is making an unprecedented global effort to manage the crisis. Its research activities aim to develop safe and effective treatments and vaccines for patients in the fight against COVID-19. At the same time, it is safeguarding supplies of diagnostics and medicines to the Swiss population.

This commitment is paying off. Swissmedic is currently reviewing additional vaccines as part of a fast-track procedure. Even if this does not mark the end of the pandemic, it is nevertheless an impressive success for the pharmaceutical industry and one that gives hope.

We in the industry will not rest in our common fight against COVID-19 until we have controlled or conquered the virus, just as we also uphold our commitment to combating other diseases. ph

Even if this does not mark the end of the pandemic, it is nevertheless a success for the pharmaceutical industry and one that gives hope.

F. Hoffmann-La Roche Ltd

Basel (BS)

Roche

Roche is a leader in diagnostics, and its Rotkreuz-based diagnostics organisation supplies several different tests to detect the novel coronavirus – in other words, to determine whether an individual is infected with SARS-CoV-2 or has developed antibodies after having COVID-19. Roche's portfolio includes what are known as point-of-care tests, which medical professionals can perform anywhere and without the aid of special equipment. For example, its rapid antigen test can show whether someone has active coronavirus infection in just 15 minutes. In addition to its point-of-care tests, Roche supplies several COVID-19 tests, large numbers of which can be conducted in laboratories using Roche instruments. Furthermore, Roche is working with partner companies to develop treatments for coronavirus.

www.roche.ch

Supply reliability

Ensuring reliable supplies of medicines and diagnostics is a top priority for Interpharma members.

Despite the exceptional circumstances, security of supply with patent-protected medicines was guaranteed in Switzerland at all times, even though many pharmaceutical companies had to cope with a huge surge in demand for certain products in March 2020.

Although the Federal Council had to ration certain non-prescription medicines such as painkillers during the spring, supplies of patented medicines were never in jeopardy in Switzerland. This achievement is attributable to companies' efforts to safeguard supplies of raw materials, preparations and finished products from several geographical sources and suppliers. Pharmaceutical companies have proven that they can maintain complex global supply chains during times of crisis and can respond quickly to extreme growth in demand.

This illustrates the necessity of a differentiated analysis in drawing the correct conclusions about supply reliability from the pandemic. For example, increasing storage requirements across the entire supply chain (including wholesalers and hospitals) could be factored in. A further option would be to use special agreements to safeguard cross-border trade in a crisis situation.

Good export framework conditions guarantee domestic production

The Swiss pharmaceutical industry generates 5.4 percent of the country's GDP. Factoring in indirect effects such as preliminary work, this figure increases to 9.2 percent. Moreover, the pharmaceutical industry accounts for around 45 percent of Switzerland's total exports. Net exports of approximately 60 billion Swiss francs greatly exceed the domestic market, which is worth 6.3 billion Swiss francs; this highlights the importance of pharmaceutical exports for the Swiss production hub.

It will thus only be possible to safeguard production in Switzerland in the long term if companies enjoy good framework conditions and are able to export their products without hindrance.

Avoiding fallacies

The claim that it is possible to manufacture all vital medicines in Switzerland is false. It is not possible to source all the necessary raw materials within the country's boundaries. Instead, international supply chains are required, which in turn are dependent on the free movement of the goods needed to produce medicines. A strong research and development hub and a strong production hub are therefore the best way of ensuring reliable supplies. It is a fallacy that health crises could be resolved by nationalising pharmaceutical production, since this would actually have the opposite effect of jeopardising the crisis resilience of our healthcare system. ph

Pharmaceutical companies have proven that they can maintain complex global supply chains during times of crisis and can respond quickly to extreme growth in demand.

Collaboration

Interpharma members are involved in various research, development and production projects and cooperations.

Networking, openness and digitalisation provide an important basis for improving the resilience of the Swiss health ecosystem in future crises. Uncomplicated sharing of information between authorities, government, science and industry needs to be promoted and strengthened through alliances and cross-company projects. The aim must be to preserve and build on the achieved improvements in interfaces and processes after the pandemic. Interpharma members are involved in various research and development projects and cooperations. The following example is a good illustration of how this can work.

Chinese scientists decrypted the coronavirus genetic code in record time, publishing the genome on an open-access website in early January 2020 so that it was available to anyone researching a vaccine. This laid the foundation for global cooperation in the fight against COVID-19. With a view to returning daily life to normal as quickly as possible, the pharmaceutical companies are supporting each other to an unprecedented extent; for instance, by making their own production capacities available to other companies in order to meet global demand for vaccines. ph

Novartis *Basel (BS)*

When the pandemic hit, Novartis responded to the challenge by mobilising research and development capacities, medicines and clinical trials expertise as quickly as possible and by making charitable donations to help combat coronavirus. Novartis is involved in two important cross-sector research initiatives: the COVID-19 Therapeutics Accelerator (CTA) coordinated by the Bill & Melinda Gates Foundation, Wellcome and Mastercard, and a partnership funded by the Innovative Medicines Initiative (IMI) to combat COVID-19. The company has also signed an agreement covering the option of licensing in two anti-COVID-19 drug candidates with Swiss-domiciled biotech company Molecular Partners.

At the beginning of 2021, Novartis also signed its first agreement concerning the use of its production capacities and expertise, thus helping to combat the coronavirus pandemic by making its production plant in Stein available for the manufacture of the COVID-19 vaccine developed by Pfizer-BioNTech.

www.novartis.com

Research and innovation

Research and innovation are crucial to sustainable social and economic development in Switzerland.

Innovation arises when we question the status quo and the "business as usual" approach to reality. The crisis has very clearly demonstrated the following: our industry has a direct impact on the lives and wellbeing of people across the globe. The very costly research infrastructure that currently enables biopharmaceutical companies in Switzerland to act quickly and efficiently, expand capacities and thereby save lives during health crisis, cannot be built up only when a crisis emerges. It is the result of decades of sustained commitment, investment and expertise supported by an incentive system for patents and intellectual property. Considerable efforts and investment will be needed to ensure that this remains the case. Research and development will be carried out in countries that offer guaranteed protection of intellectual property and maximum access to talents, high-quality health data and partners. ph

Our industry plays a key role in supplying the world with diagnostics, medicines and vaccines.

Pfizer AG *Zurich (ZH)*

When the first news from China at the start of 2020 prompted global concern, Pfizer CEO Albert Bourla quickly realised that the crisis can only be overcome by joint action. Every effort needs to be made to combat the pandemic as quickly as possible. Pfizer presented its five-point plan before March was out. In the plan, the company declared its willingness to engage in an open, cooperation-based procedure for the purpose of developing effective treatments and vaccines as quickly as possible. This includes sharing scientific findings on open-source platforms, making idle production capacities available and sharing its own expertise with smaller biotech companies.

The companies are working together to develop BNT162, BioNTech's mRNA-based vaccine candidate for preventing COVID-19 infection. The companies involved in cooperation are pooling their expertise and resources in the interest of accelerating development.

On 19 December 2020, Pfizer AG and BioNTech SE announced that Swissmedic had granted COMIRNATY© (BNT162b2), their mRNA vaccine for COVID-19, temporary authorisation in Switzerland.

The first doses of the vaccine were delivered to Switzerland just three days after authorisation, allowing the first people to be vaccinated under the national vaccination strategy on 23 December 2020. Post-approval development work on the vaccine continues.

www.pfizer.ch

Production hub

By international standards, Switzerland offers ideal framework conditions for research and innovation. High-quality infrastructure is available.

The ability of numerous international pharmaceutical companies in Switzerland to maintain a substantial production capacity despite the small domestic market is attributable not least to the favourable framework for worldwide exports. The pharmaceutical industry accounts for 45 percent of all Swiss exports.

We believe that a strong research and development hub with the protection of intellectual property on the one hand, and a strong production hub on the other, is the best approach in preparing for crises. This includes securing access to export markets, preserving and developing the Bilateral Agreements with the EU, as well as taking consistent measures against all initiatives that weaken Switzerland's position, make it a more expensive location or impose an additional administrative burden.

The issue of supply reliability during the pandemic amplified calls from the general public for domestic production and protectionist measures. One thing is clear, however: moving all production activities back to Switzerland is an unrealistic demand in an economic system such as ours, which is based on division of labour. Switzerland will not be able to produce all key medicines autonomously. For this reason, in 2021 Interpharma will firstly endeavour to raise awareness of the benefits of global value chains for security of supply and, by extension, for consumers and businesses by providing tangible examples. Secondly, it will show why nationalising production would be unable to deliver what it promises and would instead be counterproductive. It would harm the economy and society.

Johnson & Johnson

Zug (ZG)

Johnson & Johnson (J&J) is a healthcare company that was founded in New Brunswick (USA) in 1886 and which soon became known for medical products, such as surgical dressings. Nowadays, the Group has more than 265 operating companies in over 60 countries and a total headcount of around 134,000. J&J has had a presence in Switzerland since 1959.

Janssen Vaccines of Bern, a leading centre of excellence in the reliable, lean development and manufacturing of vaccines and bacteria-based products, has belonged to J&J since 2011. In recent years, an Ebola vaccine has been produced on the viral production platform that is now used to manufacture the COVID-19 vaccine.

To keep pace with the stringent demands of vaccine development, the company invests around 10 million Swiss francs annually in state-of-the-art technology and infrastructure. Janssen Vaccines has around 300 employees at its site in Bern and indirectly employs a further 600 people through suppliers.

www.jnj.ch

The year in our focus areas

The pharmaceutical industry is a major contributor to quality of life and prosperity in Switzerland. At the same time, Switzerland traditionally provides an attractive operating environment for innovative pharmaceutical companies. However, it is increasingly losing ground to other countries in terms of competitiveness. Overcoming these challenges will require a joint strategy that involves all operators. In the Pharma Hub Switzerland 2030 strategy report Interpharma outlines a way for Switzerland to remain Europe's leading pharmaceutical hub in the period up to 2030 by leveraging three focal areas: "Putting the focus on patients", "Leader in research and development" and "A strong economic-policy framework".

Putting the focus on patients

Ensuring the health of the Swiss population will remain our overriding goal. The aim is to give patients rapid access to innovations on a broad front.

By delivering novel treatments, biopharmaceutical research and development have brought groundbreaking progress for patients in recent years. Diseases that used to be fatal or were associated with severe lifelong limitations can now be treated effectively or even cured. Oncology, gene therapy and personalised healthcare are constantly advancing, giving patients and their families hope of further breakthroughs.

The existing medicines reimbursement system, which has proved reliable up to now, is reaching its limits with these new forms of treatment.

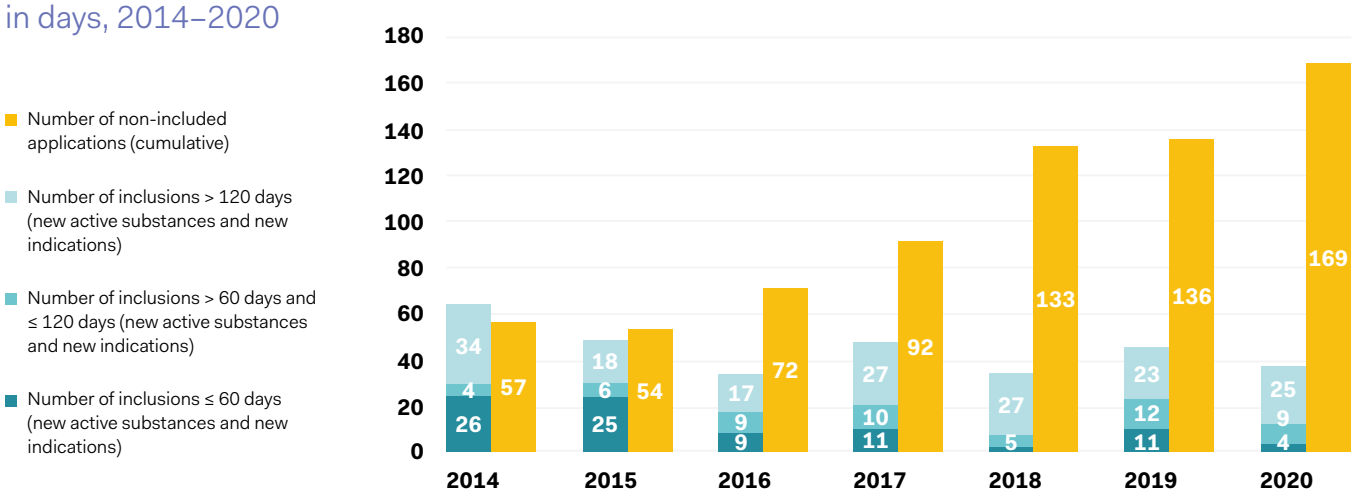
This rapid rate of progress also brings fresh challenges for all stakeholders, particularly social insurance agencies. Modern-day treatments are used in a variety of indications or in combination with other medicinal products; some work after a single administration, while others are only effective in a particular patient group. The existing medicines reimbursement system, which has proved reliable up to now, is reaching its limits with these new forms of treatment. The ever more frequent delays in assessing newly approved treatments have a negative impact on patient access.

What can we do?

It is taking ever longer for basic medical insurance to reimburse the price of innovative treatments following market authorisation by Swissmedic. At the same time, the number of complex applications for one-off cost approvals under Art. 71 a–d of the Health Insurance Ordinance (HIO) is increasing. This is an unsatisfactory situation for patients in Switzerland and tarnishes the country's good reputation as an innovation and research hub. Interpharma is committed to improving this unacceptable situation and to accelerating equitable access to new and innovative treatments. Our overriding goal is to guarantee patients access

Time elapsed between Swissmedic authorisation and inclusion in list of specialities, plus cumulative non-inclusions

in days, 2014–2020



Source: *Swissmedic (2014-2019), list of pharmaceutical specialities, Interpharma calculations.*

Executive Committee

The Executive Committee of Interpharma consists of the CEOs of the association's 23 member companies. It meets four times a year to define Interpharma's position on patient access, market authorisation and health policy issues. Many challenges, such as ensuring the rapid authorisation and reimbursement of new, innovative medicinal products, addressing the health policy pressure caused by cost-saving measures and dealing with digitalisation and a changing economic-policy framework, affect all members equally and require a shared strategy. This is particularly important when it comes to representing the industry in interactions with political decision-makers. To avoid infringing competition laws, our committees only discuss issues concerning the regulatory environment.

In addition to the COVID crisis, our focal areas in 2020 included rapid patient access to innovative medicinal products, efficient authorisation and market supervision processes, suitable price regulation for biosimilars in cost containment package 1 and our statement for the consultation on cost containment package 2, where Interpharma is demanding a future-viable reimbursement system. The composition of our committee changed in autumn 2020, when Vice Chair Oliver Bleck of Roche was succeeded by Silvia Schweickart, General Manager of Novartis Switzerland. This means that the Executive Committee is now led by two women for the first time in its existence.

Dr. Katharina Gasser, MD
Managing Director
Biogen Switzerland Ltd

to medicines right from the day they are authorised in Switzerland. To achieve this goal, we have drawn up a Patient Access Scheme (PAS), a proposal for accelerating the process of having highly innovative medicinal products added to the list of pharmaceutical specialities.

Patient Access Scheme (PAS)

The PAS that we have developed sets out to support the existing reimbursement process by providing new ways of assessing benefits. It aims to prevent valuable time being wasted by initiating dialogue between the Federal Office of Public Health (FOPH) and the manufacturer at an early stage and providing for earlier submission of the reimbursement approval dossier. Furthermore, it is planned that a committee of experts will assist the FOPH in its decision making. Finally, there are flexible reimbursement models to address the complexity and diversity of new, highly innovative treatments.

We are confident that the novel approaches proposed in our PAS will sus-

Market Access Working Group

Interpharma figures and studies by independent institutions show that access to innovative treatments is subject to increasing delays in Switzerland.

Although the Health Insurance Ordinance stipulates that the FOPH must issue its decision on reimbursement within 60 days of Swissmedic authorising the product in question, just eleven percent of products were added to the list of reimbursable medicines within this deadline during 2019. 50 percent of products took longer than 120 days. Last year, Interpharma drafted a strategy for ensuring reimbursement from the day of market authorisation and refined it in consultation with a wide range of stakeholders.

While the vision of providing patient access to innovative medicinal products from the day of authorisation is widely shared, the situation on the ground did not improve during 2020. During 2021, we would like to work with all stakeholder groups to take tangible steps to speed up reimbursement processes with the aim of giving all patients in Switzerland equitable access to medical innovations.

Lorenz Borer
Head Market Access
& Compliance
Novartis

tainably improve access to innovations for patients in Switzerland. For its part, the pharmaceutical industry is willing to share relevant information with the regulatory authorities at an early stage and to reduce the uncertainties associated with early approval by adopting price models such as pay for performance.

The in-depth dialogue that we have initiated with all stakeholders this year has shown that the vision of patient access from the day Swissmedic issues market authorisation is widely shared. In addition, we were able to use the feedback we received to clarify and refine the PAS. We hope to see further constructive dialogue and first roll-outs in the next few years, in the interests both of patients and of Switzerland as an innovation hub.

Article 71a–d HIO

The introduction of applications for one-off cost approvals under Art. 71 a–d HIO in 2011 filled a gap in Swiss care delivery. Since then, thousands of patients have benefited from rapid access to medically necessary off-label treatments. Originally intended for use in exceptional cases, the article is increasingly being used as a safety valve for the overloaded standard system of medicines reimbursement. The rapid pace of progress in biopharmaceutical research (for example personalised healthcare and gene therapies) will only increase the pressure on Art. 71a–d HIO. To ensure that it continues to play a crucial role in patient access in Switzerland, this now indispensable provision needs to be improved in terms of equity of access and process efficiency and also requires adaptation to new treatment options. Finally, accelerating access to innovations through the regular reimbursement process, as outlined above, should serve to relieve the pressure on Art. 71a–d HIO.

Our overriding goal is to guarantee patients access to medicines right from the day they are authorised in Switzerland.

Art. 71a–d HIO is a success story for Swiss patients because it permits flexible access to medicinal products in individual cases. Interpharma is committed to returning Art. 71 to its original purpose and benefit as an article for use in exceptional cases. The research-based pharmaceutical industry would therefore like to contribute actively to the planned revision of this article of the Ordinance.

Cost containment packages 1 and 2

The debate on cost containment dominated health policy in Switzerland during 2020. The Federal Council has planned two packages to control costs. At the start of the year, Interpharma presented the research-based pharmaceutical companies' position on the measures contained in the first package in a hearing before the National Council's health committee. The package focuses heavily on medicine prices. The Federal Council's proposal includes a reference price system. In the course of the debate, additional proposals were tabled, such as automatically substituting generics and biosimilars for original medicines, and parallel importing generics without Swissmedic's approval. We submitted our position in the run-up to the special session of the National Council and will advocate a distinction for biosimilars and generics as well as for the maintenance of a level playing field while opposing any circumvention of Swissmedic on parallel imports when discussions reach the second chamber.

The consultation process for the second cost containment package opened in August. The draft legislation includes proposals such as the introduction of cost growth targets, a mandatory initial consultation unit and price models for reimbursing medicinal products. Interpharma is committed to a sustainably financed healthcare system. The pharmaceutical industry supports the proposed price models provided that patient access to innovations is improved at the same time. Confidentiality, which has been questioned in some cases, is important in ensuring that the price models work and is part of international practice.

The measures put forward in the packages do little to deliver a high-quality healthcare system. Instead, they cut services to patients and encourage bureaucracy. Rather than one-sided cost containment, Interpharma is demanding a forward-looking quality agenda for a sustainable Swiss healthcare system. This agenda should promote medical and technological innovation and bolster the responsible use of health data. The ongoing pandemic clearly illustrates the importance of high-quality healthcare provision. The one-sided focus on cost containment should be replaced by rewards for progress in pharmaceutical innovation and a focus on patients.

Good Distribution Practice – Quality Working Group

The GDP Working Group deals with issues affecting pharmaceutical distribution and dialogue with relevant stakeholders for the Swiss hub. Establishment of the GDP round table launched in 2019 for the industry and authorities continued in 2020. The round table provides a forum for dialogue on the operational implementation of relevant legal foundations and harmonisation of national processes with EU practice. The pandemic brought home the importance of digitalisation in a very tangible way. Where necessary, it was possible to partner with stakeholders to quickly digitalise and simplify processes that were critical for supplying the Swiss market. The GDP Working Group can draw on this initial experience to formulate additional needs and flesh them out for future strategic implementation.

Nicole Arnold
Senior QA Manager
La Roche AG

Health Care Systems Working Group

In addition to the cost containment packages, the Health Care Systems Working Group addressed a raft of other issues during 2020. The COVID pandemic has not only impacted the daily lives of people and companies, it has necessitated new legislation. The Federal Council drafted a COVID act in a very short time. Instead of the usual three months, the consultation period was three weeks. The HCSWG rose successfully to this challenge, punctually issuing a response on behalf of the research-based pharmaceutical industry. Interpharma's key concerns were accepted. For example, the legislation will be time-limited until the end of 2021. Furthermore, goods movements have not been restricted and exemptions have been provided for the import of important medical goods. The Act entered into force on 26 September 2020 and will expire at the end of 2021.

Martin Höhener
Director Market Access
& Corporate Affairs
Pfizer AG

Swissmedic – a strong partner

In the interests of patient safety and pharma hub Switzerland, we advocate a strong, neutral medicinal products regulatory authority of the type embodied by Swissmedic. It is therefore essential for the country's pharma hub that Swissmedic is competitive. The pharmaceutical industry acknowledges Swissmedic as an authority that understands how to respond to rapidly changing developments in the authorisation of innovative medicines and even to anticipate possible developments and trends. All this is part of efforts to make new and promising treatment options available to patients as quickly as possible. For this reason, we fundamentally support Swissmedic's efforts to be perceived as a first wave agency once more.

Our member companies are working with Swissmedic to speed up review processes. As the annual benchmarking study carried out by Swissmedic and the industry shows, Swissmedic is endeavouring to comply with its timelines and the companies are confident of using the time allotted to them to maximum advantage.

New forms of dialogue between Swissmedic and the companies will make it possible to address the process for submitted applications in a product-specific way and for both sides to identify areas that require clarification as early as possible in the different phases of the process. This will permit the new, innovative authorisation processes to be used to maximum effect. The authority and industry worked together to optimise process requirements in the regulatory round tables that take place several times a year. These valuable opportunities to discuss potential solutions and current focal areas help promote rapid access to innovative medicinal products in Switzerland.

We support Swissmedic in efforts to develop structures and processes that standardise and simplify international cooperation on review processes. Clear resource planning criteria and timeline compliance are important for our member companies. The industry regards work sharing and international dialogue as a promising approach with appealing timelines. It also offers a way of reducing the workload handled by authorities and companies. Current assessments are felt to be of a very high quality.

It is already clearly apparent that the systematic use of digital technologies is set to occupy a prominent position across the entire regulatory domain. The COVID-19 pandemic is likely to further accelerate this tendency. To specifically address the trend towards digitalisation in market authorisation, supply and supervision, we have worked with member companies in the individual Working Groups to identify needs that will be fleshed out in detail and addressed with stakeholders.

Regulatory Affairs Working Group

Throughout 2020, within the Interpharma RAWG we made significant progress in optimizing the approval processes and health authority interactions in close collaboration with Swissmedic. We share the aim of placing Swissmedic as a clear wave-1 health authority. Besides expanding interaction opportunities between industry and authority, we sharpened the regulatory milestone deliverables aiming at faster approvals and thus earlier access for patients to innovative drugs. With the industry support and collaboration, international exchange and joint-review procedures have been shaping up rapidly during 2020, and are building a very attractive and powerful approach in achieving the wave-1 aspirations of the Swiss regulatory environment.

Dr. Lukas Brand
Head of Drug Regulatory Affairs
Novartis

Leader in research and development

The speed with which a coronavirus vaccine was developed illustrates just how important new research approaches are to medical progress. To ensure that society continues to benefit from such new achievements in the future, the research-based pharmaceutical companies need the best possible operating environment.

Research and development are essential for a country like Switzerland, which has few natural resources. An effective and modern system of protecting intellectual property is essential if Switzerland is to remain a thriving centre of research activity. To ensure that it is possible to conduct successful research in Switzerland in the future, clinical trials have to be approved quickly and good conditions for animal research have to be maintained. Furthermore, global access to high-quality health data is constantly gaining importance as a success factor in our increasingly digitalised world.

Legal protection for innovation

Digitalisation will fundamentally change the way medicines are developed and used. Interpharma is committed to ensuring that the intellectual property (IP) legal framework applicable to the data, algorithms and data analysis results that give rise to innovative treatments is developed in such a way that innovations enjoy adequate protection.

The generation of clinical data as a precondition for the authorisation of new medicinal products is a time-consuming and cost-intensive endeavour. This is why document protection is important in clinical research and assumes a fundamental significance if treatments cannot be patented. Data that will further the development of the healthcare system should be broadly accessible. At the same time, compliance with data protection regulations must be ensured. Real-world data obtained specifically for clinical authorisations should be accorded protection similar to that given to clinical data.

Furthermore, global access to high-quality health data is constantly gaining importance as a success factor in our increasingly digitalised world.

Intellectual Property Expert Group

As with other groups, the COVID-19 pandemic was the defining feature of the work done by Interpharma's Intellectual Property Expert Group (IPEG) in 2020. Despite unprecedented levels of collaboration between universities, biopharmaceutical companies and state agencies, which resulted in diagnostics, vaccines and potential treatment methods being developed in record time, there were numerous calls to waive industrial property rights. However, such calls are misplaced. Without a strong IP framework, medicinal innovations such as those necessary to combat the COVID-19 pandemic would never have been possible in the first place. The pandemic should also not lead us to overlook the fact that treatment options are still urgently needed for other diseases, such as cancer or neurological disease. Strong IP protection will therefore continue to be essential to fund investment in the research and development that will deliver innovations in all these areas.

Dr. Andreas Poredda
Chief Patent Officer
La Roche AG

Clinical Research Working Group

During 2020, the CRWG focused heavily on the issue of Switzerland's attractiveness as a research hub. We had already started discussions with Swissethics on minor improvements to the trials approval process when lockdown was suddenly imposed, and we were obliged to come up with innovative solutions that would allow us to continue clinical trials with the minimum of damage. It should be noted here that thanks to our initiative and the openness of both Swissmedic and Swissethics to discussions on possible paths through the crisis, it was not long before the first COVID-19 guidance had been prepared. The guidance has been revised several times in the meantime, partly to incorporate the experience of the CRWG.

In conclusion, it can be said that:
COVID-19 has forced us to adopt accelerated process changes in clinical research that are ultimately essential for the most recent types of clinical trials and which can be implemented at greater speed by virtue of the experience we have gained. Thus we will continue to focus on enhancing the attractiveness of the research hub during 2021.

Dr. Simon Rotzler
Head of Clinical Operations / Country Head of Site Management
Bayer AG

As an export-driven sector, the biopharmaceutical industry is heavily dependent on barrier-free access to global sales markets. Free trade agreements play a key role here. In addition to market access, it is important for innovative companies that such agreements provide appropriate protection for intellectual property. To ensure the existence of research incentives, Interpharma continued to advocate high-quality IP protection nationally and internationally during 2020.

Successful Swiss research hub

Both the launch of the master plan to strengthen Switzerland as a biomedical research and technology hub and the consultation process for the revision of the Human Research Act were delayed owing to the COVID pandemic. From the perspective of the pharmaceutical industry, the master plan is an important tool for improving the framework conditions in Switzerland in order to remain a leader in research and development in the future. Despite these delays, Interpharma continued to campaign for a successful research hub during 2020. Within Switzerland, Interpharma is committed to maintaining an appealing hub for clinical research. Working closely with stakeholders, the framework conditions are being mapped out on the basis of the legal foundations and new trends in clinical research are being addressed. This is an area where the pandemic has illustrated the value of good cooperation with the authorities and stakeholders. Where necessary, processes were quickly adapted to ensure continuation of the clinical research that is important for Switzerland.

In addition to clinical research, animal testing is an essential part of the development of vaccines and medicines. Yet the popular initiative "Yes to a ban on animal and human testing – Yes to research methods promoting safety and progress" sets out to ban this crucial element of the development process. If the initiative were to be accepted, it would be tantamount to a research ban not only for the pharmaceutical industry, but also for large parts of academia. Initiatives that demand a full or partial ban on animal testing not only jeopardise patient access to new medicines and supplies of those medicines, they also jeopardise Switzerland as a research hub. For this reason, Interpharma remains committed to the principle of "control rather than abolish". Our members are research-based companies who take their ethical responsibilities seriously and systematically apply the 3R principles of refine, reduce and replace. By doing, so they make an important contribution to the continuous improvement of animal welfare.

Collaboration on data-based ecosystems

The creation of a data-based health ecosystem is a priority for Switzerland's research-based pharmaceutical companies. Such a system provides a resource that allows operators to compile, share and use data to shared standards and in compliance with robust protection requirements. This would not only be conducive to greater innovation and efficiency in the healthcare system, but also create incentives to systematically focus on patient needs. Interpharma therefore drove the issue forward in 2020 by setting up a Health Data Ecosystems Task Force. The Task Force's mandate is to work with other stakeholder groups to develop and implement projects that will specifically make it possible to utilise the potential of data-based ecosystems in Switzerland. In addition, the Task Force formulates and champions the industry's positions on the subject, for

example by running workshops of the type it held at Finanz und Wirtschaft's "Health 2.020" forum. The publication of the "Cracking the Code of Collaboration" working paper marked the achievement of a further milestone for Interpharma. The paper, produced jointly with experts and decision makers, is a contribution by the association to facilitating future collaboration on data-based ecosystems. Data ecosystems were also a keynote subject at this year's Salon Santé, and a workshop on the subject was held under the auspices of santeneXt, the Swiss healthcare system's do-tank.

Outlook

Interpharma will continue its efforts to promote a strong research hub during 2021. Efforts will focus on continuing to improve the framework conditions for clinical research and on breaking regressive tendencies. Only by doing so will patients continue to obtain rapid access to innovative medicines. The initiative to ban experimentation is another referendum subject that would not only impose a de facto research ban on the pharmaceutical industry, but also affect large parts of academia, such as the social sciences and economics. Even pets and farm animals would be worse off if the initiative were to be accepted because their access to important medicines would be cut off. Last but not least, we need to take a further step towards a functional data ecosystem. To prevent Switzerland falling even further behind its competitor countries on digitalisation, the government needs to make swift, targeted decisions. Switzerland is well placed to remain a leading research hub in the future. However, the country needs to systematically exploit the opportunities and prevent trends that could be detrimental to research. ph

Animal Welfare Working Group

Exactly ten years ago, Switzerland's research-based pharmaceutical companies signed a joint Animal Welfare Charter. This 2010 commitment to protecting laboratory animals was a reaffirmation by Interpharma members of the ethical responsibility imposed on them at home and abroad by animal testing. In accordance with the Charter, the Animal Welfare Working Group (AWWG) reports on its activities and progress in implementing the 3Rs and animal protection in its annual Animal Welfare Report. The AWWG sets out not only to continuously improve animal protection and to promote the 3Rs, it also ensures that laboratory animals are kept in accordance with technical requirements and ethical standards by conducting joint audits of external research partners and breeders throughout the world. Last but by no means least, the AWWG is in regular dialogue with representatives of various animal protection organisations for the purpose of continuously improving the protection given to laboratory animals.

Dr. Joachim Coenen
Chief Animal Welfare Officer
Merck KGaA

A strong economic-policy framework

The pandemic has shown once again how crisis-resistant Switzerland's pharmaceutical industry is. To remain so, however, it will require the best-possible economic-policy framework. Two federal proposals attacked this framework in 2020.

Even in times of crisis, the pharmaceutical industry continues to fulfil its role as a driver of the economy. Pharmaceutical companies continued to support the Swiss economy and labour market during 2020. If the country is to continue to enjoy the benefits of the pharmaceutical industry's success, however, it needs the best-possible economic-policy framework, including political stability, legal certainty, open export markets, the availability of a qualified workforce and an attractive fiscal landscape.

Switzerland's competitiveness as a pharma hub

Given its comparatively small domestic market, Switzerland is reliant on flourishing foreign trade, and companies have to be able to sell their products abroad from a Swiss base with a minimum of discrimination. This applies particularly to the pharmaceutical industry, which accounts for 45 percent of Swiss exports. During 2020, two federal proposals were put to referendum which, had they been accepted, would have presented exporting companies with obstacles that would have been difficult to surmount. Both the initiative to end freedom of movement from the EU and the Responsible Business initiative were a substantial threat to Switzerland's competitiveness as a pharma hub.

As the pharmaceutical industry's representative, Interpharma's core objective was to have the freedom of movement initiative rejected by a substantial majority. The success of Swiss foreign trade, particularly that of the pharmaceutical industry, depends heavily on demand from the EU. 48.5 percent of total Swiss exports were destined for EU member states. The EU is the key trading partner for both the pharmaceutical industry and for the country as a whole. 44.6 percent of pharmaceutical companies' exports go to the EU, and sales in the European single market rose 6.3 percent during 2020 – significantly faster than in other markets. The importance of stable relations with Switzerland's biggest trading partner is also illustrated by the fact that the country lost a lot of ground in the World Bank's political stability index after the mass immigration initiative was accepted in 2014. The index is an indicator of the quality of framework conditions. Switzerland slipped from third in the rankings in 2013 to ninth in 2019. This added extra significance to the clear signal sent by Swiss voters in September, when 61.7 percent of them rejected the initiative to end freedom of movement from the EU. The initiative would not only have ended the agreement on the free movement of people – and thus restricted companies' access to important workers – but would also have nullified the six other market access agreements in the Bilateral Agreements I by application of the guillotine clause. Interpharma contributed successfully

As the pharmaceutical industry's representative, Interpharma's core objective was to have the freedom of movement initiative rejected by a substantial majority.

to the initiative in conjunction with the members of the "strong + networked" alliance, which include the Swiss business federation economiesuisse as well as other key industry associations and civil organisations.

Interpharma's European monitor, produced in conjunction with the gfs. bern opinion research institute, attracted a huge amount of attention in 2020. In June 2020, the association presented the results at a virtual panel meeting attended by the Presidents of both Foreign Affairs Committees and a representative of the Economic Affairs Committee. Conducted at the end of the first wave of COVID, the survey showed not only that the Swiss population continues to support the Bilateral Agreements and therefore has no appetite for the freedom of movement initiative, but also that a majority is in favour of an institutional framework agreement with the EU. This is an important finding, and one that Interpharma publicised after the freedom of movement initiative had been rejected in a bid to raise awareness of the importance of a framework agreement.

No special rules for Switzerland

The initiative to end freedom of movement from the EU and the institutional agreement with the EU were not the only topics to occupy pharma hub Switzerland in 2020. A further major source of potential damage were the special rules proposed by the Responsible Business initiative, which would have subjected Swiss companies to unique international liability rules in the area of human rights and the environment. Here again, Interpharma was able to make a contribution, supporting allies such as Swissholdings, the association of industrial and service companies in Switzerland. This involvement paid off, since the initiative was rejected in late November 2020, despite having had an unassail-

Innovation Hub Committee

Switzerland is an important hub and the home of many major bio-pharmaceutical companies. Traditionally, the country offers good framework conditions for research-based industries. However, challenges – such as digitalization, the relationship with the European Union (our most important export market), taxation and anti-business initiatives – are growing. Interpharma and its Innovation Hub Committee (IHC) have worked this year to contribute to an optimal business environment for our industry and to foster Switzerland's position as an internationally competitive pharma hub. Both the "Kündigungsinitiative" and the "Unternehmensverantwortungsinitiative", two popular initiatives important for our industry, have been rejected this year, allowing Switzerland to continue attracting both biotechnology talent and start-ups. On digitalization, Interpharma has interacted with various stakeholders regarding the needs for an integrated Swiss health data ecosystem. In the coming year, we would like to intensify the dialogue in order to co-create a vibrant digital environment for the benefit of all stakeholders.

Nicholas Franco
Executive VP and Chief Business Development Officer,
Corporate & Business Development
Johnson & Johnson

able lead in opinion polls at the outset. It failed to obtain support from the majority of cantons. This cleared the way for a counterproposal to the initiative, which envisages internationally harmonised rules that are acceptable to companies.

Interpharma welcomes the Federal Council's Mind the Gap strategy

In addition to the two popular initiatives, other developments occupied the pharmaceutical industry and Interpharma during 2020. The research-based pharmaceutical industry's business is among those affected by the United Kingdom's departure from the EU. For this reason, Interpharma welcomes the Federal Council's Mind the Gap strategy. It is pleasing that Switzerland has been able to resolve relevant market access issues with the United Kingdom by means of bilateral agreements. However, these only cover intergovernmental relations between Switzerland and the UK. Since many Swiss pharmaceutical companies have internationalised their value chains – i.e. they have manufacturing activities in Switzerland, the EU, the United Kingdom and third-party states – the UK's departure from the EU remains an important matter. Thus Interpharma will continue to monitor the issue of the UK's links to the EU single market during 2021.

The same applies to moves within the G20 and OECD to harmonise the taxation of digital value creation. This would have a negative impact on Switzerland as a business location and therefore needs to be followed critically.

Outlook

A prudent framework agreement with the EU will prepare the ground for Switzerland to continue constructively developing relations with its key trading partner. Following the clear rejection of the initiative to end freedom of movement from the EU, now is the time to sign such an agreement. The issue will therefore remain a priority for Interpharma during 2021, and the association will continue to call for outstanding issues to be resolved quickly. In addition, the discussions on the Responsible Business and freedom of movement initiatives, like the debate on security of supply during the crisis, have shown that a rift is developing among the population. The benefits of global value chains are increasingly being submerged beneath calls for national production and protectionist measures. This trend is jeopardising the framework conditions for the pharmaceutical industry both internationally and in Switzerland. For this reason, in 2021 Interpharma will firstly endeavour to raise awareness of the benefits of global value chains for security of supply and, by extension, for consumers and businesses by providing tangible examples. Secondly, it will show why nationalising production would be unable to deliver what it promises and would instead be counterproductive. It would harm the economy and society.

2021 will present further opportunities for Switzerland to actively improve framework conditions for innovative companies, pave the way for additional investments in research and development and, by so doing, create jobs. The biomedical research and technology master plan and the Council of States' postulate "Strengthen Switzerland's position as a centre of biotechnology and pharmaceutical production" provide an opportunity to strengthen the competitiveness of the research location. This would enable Switzerland to regain ground on other countries after losing appeal in certain areas, as described above. Interpharma will therefore follow both projects closely.

Interpharma – the association

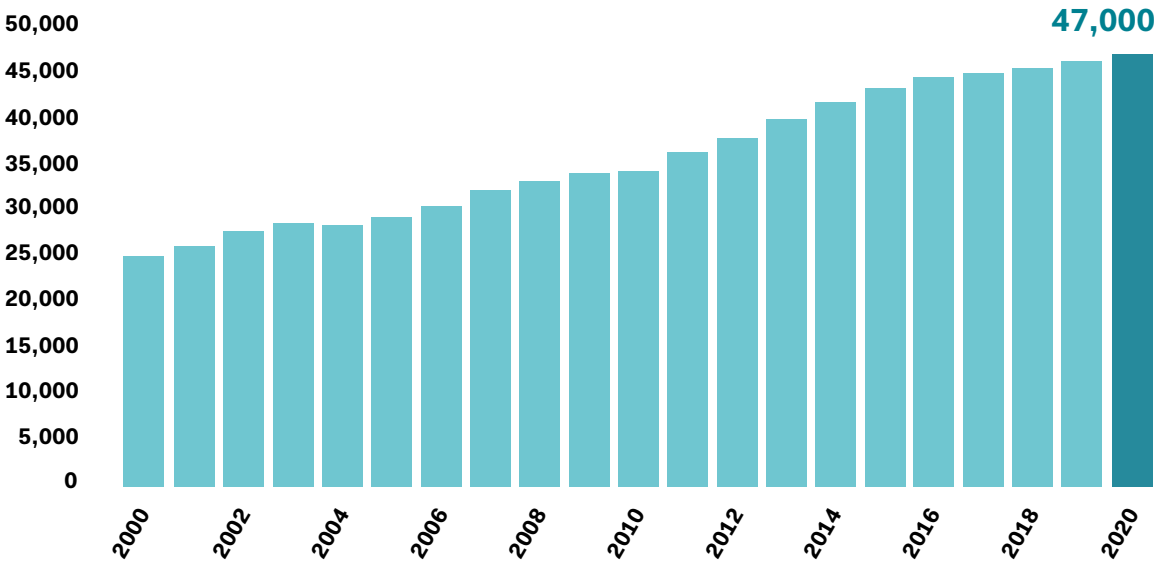
Interpharma, the association of Switzerland's research-based pharmaceutical industry, was founded in 1933. Its member companies together account for over 90 percent of market share in patented medicines in Switzerland and invest seven billion francs annually in research and development in the country. Interpharma is a driving force of an efficient, high-quality healthcare system that gives patients rapid access to innovative treatments and the best possible care. Both in Switzerland and abroad we are committed to ensuring that patients receive first-class healthcare, that innovations are rewarded and that our industry is able to make a key contribution to Switzerland's prosperity, growth and competitiveness.

Facts & statistics

The pharmaceutical industry employed around 47,000 people in Switzerland in 2020. Its total employment effect is around 253,800 people. Employment growth in the past two decades has also increased pharmaceutical companies' importance for the employment market. Today, the pharmaceutical industry provides around one in 15 jobs in industry.

Number of people employed in the pharmaceutical industry

in persons, 2000–2020



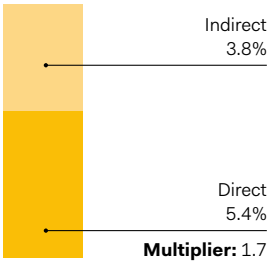
Source: *BAK Economics (2020)*

In 2019, the pharmaceutical industry generated 5.4% of gross value added in Switzerland. Factoring in indirect effects, this figure rises to 9.2%.

With exports worth 99.1 billion Swiss francs and a share of around 45% of total exports in 2020, the pharmaceutical industry is Switzerland's biggest exporting sector. The European Union remains the Swiss pharmaceutical industry's biggest trading partner.

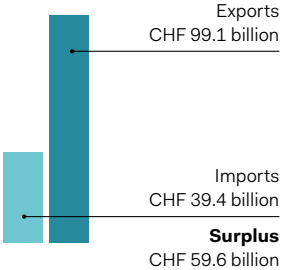
9.2% of GDP

Gross value creation
(CHF 65 bn, 2019)



45%

Share of total exports
(2020)

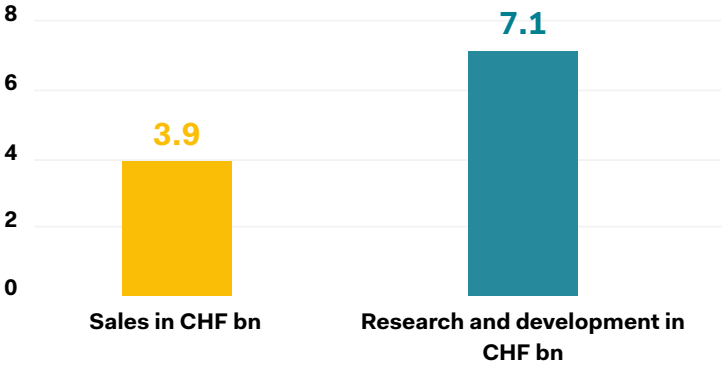


Source: *BAK Economics (2019/2020), The Importance of the Pharmaceutical Industry for Switzerland*

Interpharma member companies in Switzerland: sales and research

In billion CHF, 2019

In 2019, the Interpharma member companies generated sales of 3.9 billion Swiss francs in Switzerland, at the same time investing 7.1 billion Swiss francs in research and development in the country. In other words, for every Swiss franc of income earned in Switzerland, almost twice as much is reinvested in the Swiss research hub.

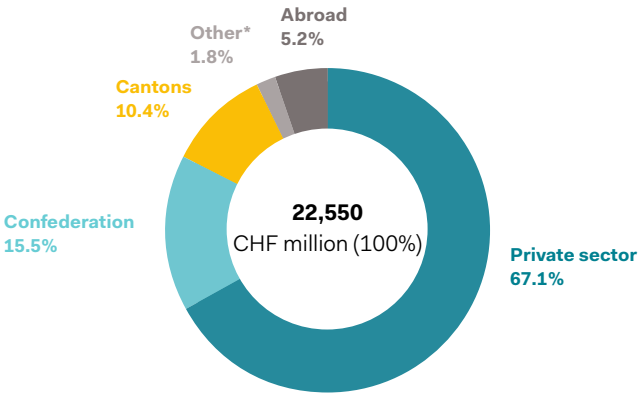


Source: *Interpharma (2020)*

Total research and development expenditure

2017

In 2017, total research expenditure in Switzerland amounted to 22.6 billion Swiss francs, 67% of which was financed by the private sector. The pharmaceutical industry is the biggest investor, accounting for almost 40% of private-sector research expenditure.



Source: *Federal Statistical Office (2019), R&D in Switzerland 2017*

** Private non-profit organisations and universities' own resources.*

About us

Interpharma, the association of Switzerland's research-based pharmaceutical industry, was founded in Basel in 1933. Historically, Interpharma was founded by the major research-based pharmaceutical companies in Switzerland. Over the years, it has opened up its membership and, with the current greatly increased number of 23 members (as at 31 December 2020), Interpharma has developed into the umbrella association of the research-based pharmaceutical industry in Switzerland.

Our members –

23 research-based pharmaceutical companies

Interpharma currently has 23 member companies (as at 31 December 2020) which, with their different treatment focuses and therapeutic areas, make a substantial contribution to medical progress in general and to improving the quality of life of individual patients.

Association of Switzerland's research-based pharmaceutical industry

A strong voice for the pharmaceutical industry

Interpharma's broad support throughout Switzerland underpins its position in championing the international competitiveness of Switzerland as a research and pharma hub. Interpharma works closely with all the stakeholders in the Swiss healthcare system and international organisations, specifically those that represent the interests of the research-based pharmaceutical industry in Switzerland and abroad.

Members 2020

23 member companies with a combined share of more than 90 percent of the patent-protected pharmaceutical market

Novo Nordisk, a global healthcare company with more than 95 years' experience in innovation and a leader in diabetes care, joined the association in 2020. By attracting Novo Nordisk as a new member, Interpharma succeeded in further strengthening its position as the umbrella association for the research-based pharmaceutical industry. With their different treatment focuses and therapeutic areas, Interpharma members make an important contribution to the high quality of healthcare provision in Switzerland by developing and producing medicines that reduce suffering and save lives throughout the world.

Board and Executive Management

"Pharma Hub 2030" strategy paper continues to set direction

Having been adapted to the requirements and needs of a growing membership in recent years, the association structures and governance mechanisms have proven effective in practice.

The Board is the formal decision-making body and determines Interpharma's strategic direction, priorities and budget. It discusses international and pharmaceutical policy topics and location-related issues relevant to member companies with investments in Switzerland as a location.

The Board is chaired by its President Jörg-Michael Rupp (Roche), who is assisted by two Vice Presidents, Nicholas Franco (Johnson & Johnson) and Mark Never (Novartis).

Board members

As of the 2020 Annual General Meeting

Jörg-Michael	**Rupp**	**Roche,** *President*
Nicholas	**Franco**	**Johnson & Johnson,** *Vice President*
Thomas	**Lang**	**MSD Merck Sharp & Dohme,** *Vice President*
Mark	**Never**	**Novartis,** *Vice President*
Henrik	**Asmussen**	**Amgen**
Sabine	**Bruckner**	**Pfizer**
René P.	**Buholzer**	**Interpharma**
Jean-Luc	**Delay**	**Takeda**
Johanna	**Friedl-Naderer**	**Biogen**
Remo	**Gujer**	**Bristol-Myers Squibb**
Florian	**Ibe**	**Bayer**
Matthias	**Leuenberger**	**Novartis**
Harry	**Råstedt**	**GlaxoSmithKline**
Nathalie	**Stieger**	**F. Hoffmann-La Roche**
Josef	**Troxler**	**Vifor Pharma**
Urs	**Vögeli**	**Johnson & Johnson**
Christiane	**von der Eltz**	**Merck**

Executive management

As at December 2020

René Buholzer
CEO and
Delegate of the Board

Heiner Sandmeier
Deputy CEO

Susanne Müller
Head Services

Markus Ziegler
Head Patient Access
& Intellectual Property Rights

Yves Weidmann
Head Governmental Affairs

Samuel Lanz
Head Communications

Interpharma working groups

More than 150 company experts contribute their knowledge to ten working groups.

All member companies can delegate experts to Interpharma's ten formal working groups and make their specialist knowledge available to the association. To ensure the organisation's agility, task forces headed by an experienced committee member can be set up at any time.

The working groups and task forces implement their priorities in accordance with the Board's instructions and execute their working plan under the leadership of three strategic committees.

The **Executive Committee** deals with issues relating to patient access, market authorisation and health policy. It is headed by Katharina Gasser (Biogen) and Silvia Schweickart (Novartis).

The following working groups report to the Executive Committee:

- **Market Access Working Group**
  Chair: Lorenz Borer (Novartis)
  Vice Chair: Jan Depta (BMS)

- **Regulatory Affairs Working Group**
  Chair: Lukas Brand (Novartis)
  Vice Chair: Annette Fichtel Dasen (Abbvie)

- **Good Distribution Practice – Quality Working Group**
  Chair: Nicole Arnold (Roche)
  Vice Chair: Christoph Fleischli (Bayer)

- **Health Care Systems Working Group**
  Chair: Martin Höhener (Pfizer)
  Vice Chair: Florian Erny (Roche)

The **Innovation Hub Committee** deals with all issues associated with Switzerland as a centre for research and innovation, and the Swiss pharma and production hub. In particular, it deals with research policy and general economic policy. It is headed by Nicholas Franco (J&J) and Remo Gujer (BMS).

The following working groups report to the Innovation Hub Committee:

- **Clinical Research Working Group**
  Chair: Simon Rotzler (Bayer)
  Vice Chair: Martin Winiger (BMS)

- **Animal Welfare Working Group**
  Chair: Joachim Coenen (Merck)
  Vice Chair: Birgit Ledermann (Novartis)

The **Intellectual Property Expert Group** headed by Andreas Poredda (Roche) deals with issues associated with the protection of intellectual property.

In addition, the **Communication Working Group** assists the association office with communication-related matters. It is headed by Philipp Kämpf (J&J) and Bettina Vogel-Moore (Takeda).

In addition to these permanent working groups, there are also temporary groups that deal with current issues and needs as required.

The following task forces were actively involved in projects in 2020:

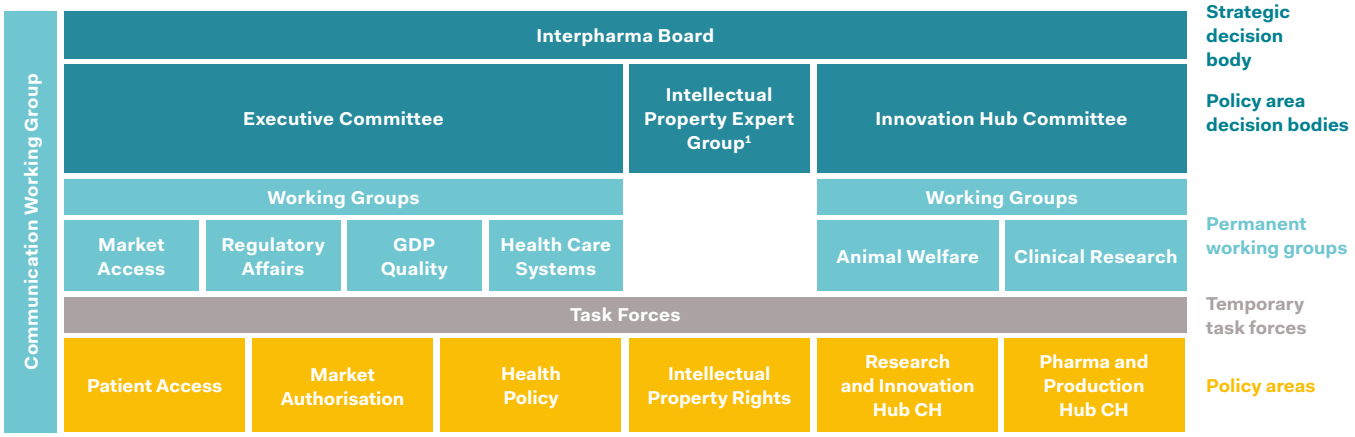
- **Task Force on Vaccines**
  Sponsor: Sabine Bruckner (Pfizer)
- **Task Force santeneXt**
  Sponsor: René Buholzer (Interpharma)
- **Task Force Reimbursement of Transplant Products**
  Sponsor: Christophe Griolet (Gilead)
- **Task Force Pharmacovigilance**
  Sponsor: Florian Ibe (Bayer)

A new task force, the **Task Force Health Data Ecosystems** was set up in 2020. (Sponsor: Mads Stoustrup, Novo Nordisk)

Furthermore, and in response to current events, the **Task Force COVID–19** was set up at short notice last spring under the Communications remit. (Sponsor: René Buholzer, Interpharma)

Our governance

To ensure close member involvement and alignment



¹ *Jointly with scienceindustries*

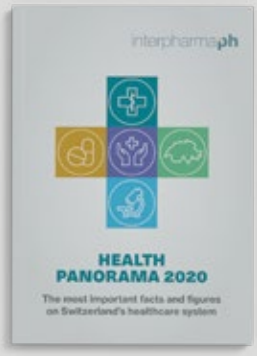
Partnerships

An active partner in the health and research arena through cooperation

Interpharma attaches great importance to a broad dialogue on current health and research policy topics and to promoting public discussion of relevant issues. It therefore works with various stakeholders in the health and research communities, contributes expertise and supports organisations and platforms in planning and implementing events, authoring principles and other activities. In its endeavours, Interpharma seeks to consider issues from different perspectives and to ensure pluralistic, open discussions.

Publications in 2020

Interpharma's publications are available in several languages and can be downloaded from **www.interpharma.ch**. Printed versions can be ordered from **info@interpharma.ch**.



Health Panorama

"Health Panorama – The most important facts and figures on Switzerland's healthcare system" contains statistics on the Swiss healthcare system, the pharmaceuticals market and pharma hub Switzerland. It also investigates the spending structure of Swiss households, trends in healthcare costs in Switzerland and research and development investment by Switzerland's pharmaceutical industry.

Animal Welfare Report 2020

This year's annual report is the tenth to be published by the Swiss research-based pharmaceutical industry on the animal protection charter it adopted in 2010. The report contains numerous examples of how Interpharma member companies have further improved conditions in animal testing and enhanced protection for laboratory animals in line with the charter over the past reporting year.

Salon Santé – Cracking the Code of Collaboration

Salon Santé 2020 revolved around the question of how human capabilities can promote effective cooperation and what conditions need to be fulfilled for this to happen. The dialogue brought to light a range of capabilities that are important to the development of a data-driven health ecosystem.

Our commitment in this unique situation

The crisis has proven the value of having a highly innovative research and production hub. These strengths need to be further developed if Switzerland is to remain a leading international pharma hub. Based on its Pharma Hub Switzerland 2030 strategy and working with its members, Interpharma has formulated its commitment in five areas that serve as a starting point for discussions about the future organisation of the healthcare system in Switzerland.

Pharma Hub Switzerland 2020

Switzerland and the pharmaceutical industry have been travelling a successful path together for decades. An economic policy that provides attractive framework conditions has favoured the impressive development of the research-based pharmaceutical industry. At the same time, the pharmaceutical industry is a pillar of the economy, contributing to Switzerland's prosperity to an above-average degree. Interpharma has published three booklets that examine the three regional pharma clusters (Basel, Zurich-Zug-Lucerne-Schaffhausen and Espace Mittelland-Bassin Lémanique) in greater detail and compare them with leading pharma hubs around the world.

Europe Survey 2020

A published survey shows that the Swiss population's opinion on European policy has not changed substantially despite the coronavirus pandemic. This representative survey was conducted by the gfs.bern research institute on behalf of Interpharma. Similarly, the public discussion on the initiative to end freedom of movement from the EU, of which the pandemic was a major driver, has as yet triggered little momentum and not helped the initiative attract broader support among voters. Furthermore, there is still a stable majority in favour of an institutional agreement between Switzerland and the EU.

PUBLISHING DETAILS

Interpharma
The association of Switzerland's research-based pharmaceutical industry
Petersgraben 35, Postfach, CH-4009 Basel
Phone: +41 (0) 61 264 34 00
E-mail: info@interpharma.ch
Website: www.interpharma.ch

Competence team
Communications team, Interpharma

Concept and design
BERTA Kommunikation AG

Printed by
Schellenberggruppe

Available in German